

To All Telecommunications Companies

RE: ANNUAL GROSS RECEIPTS TAX ASSESSMENT

[SDCL Chapter 49-1A](#) establishes the South Dakota Public Utilities Commission Gross Receipts Tax Fund. This Fund is financed by assessing a tax on the annual intrastate gross receipts received by a utility. The Fund is used by the Commission to defray regulatory expenses related to the regulation of telecommunications, electricity and natural gas. The specific statute reads as attached.

On **April 1st** of each year all utilities and telecommunications companies doing business in South Dakota shall file with the Commission, on forms provided by the Commission, the amount of its gross receipts derived from customers within South Dakota during the preceding calendar year pursuant to [SDCL 49-1A-4](#). The report shall be sworn to and verified by an officer of the company.

On **May 1st** of each year, the Commission shall, by order, establish the rate and assess the tax authorized in [SDCL 49-1A-3](#) which, together with any funds remaining from the current fiscal year and the two hundred fifty dollar minimum gross receipt tax, will fund the Commission's budget for the next fiscal year and provide a contingency reserve in an amount not to exceed the prior year's budget. In accordance with [SDCL 49-1A-5](#), the tax is due and payable on **July 15th** of each year. Please note that one form must be filed for **EACH** company.

Pursuant to [SDCL 49-1A-7](#), all amounts deposited in the South Dakota Public Utilities Commission gross receipts tax fund are appropriated to the use of the Public Utilities Commission for its expenses in regulating public utilities as defined in [SDCL 49-34A](#) and telecommunications companies as defined in [SDCL 49-31-1\(26\)](#). Such expenses may be paid out of the fund on warrants drawn by the state auditor upon duly itemized vouchers. The funds necessary for such expenses are hereby authorized to be expended. The funds may not be expended for any other operations of state government.

Your payment to the Commission should be based on **GROSS INTRASTATE REVENUES**. The statute does not exempt any forms of this revenue. The data may be verified with other data filed with the State of South Dakota.

Please note that late payment shall result in a penalty assessment of ten percent of the tax due for each month of such delinquency pursuant to [SDCL 49-1A-6](#).

Your company is also required to file the additional information as set forth in administrative rule [20:10:24:04](#) or [20:10:32:12](#), attached, whichever applies to your specific type of telecommunications company.

If you have any questions regarding your payment please contact our office. This letter as well as the attached statutes, rules and forms are also on the Commission's home page:
<http://www.state.sd.us/puc>

[Go to attachment & download forms](#)